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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D. C. 20554

SEP 16 1994

In the Matter of)	
)	
Implementation of Section 309(j))	
of the Communications Act)	PP Docket No. 93-253
)	
Competitive Bidding)	
)	
and)	
)	
Amendment of the Commission's)	
Rules to Establish New Narrowband)	GEN Docket No. 92-314/
Personal Communication Services)	ET Docket No. 92-100
To: THE COMMISSION		

COMMENTS OF
AMERICAN PAGING, INC.

American Paging, Inc., on behalf of itself and its subsidiaries (collectively "API"), by its attorneys, files its comments in response to the Commission's Third Report and Order and Further Notice of Proposed Rulemaking ("Third Memorandum") released August 17, 1994 with respect to proposed changes in the competitive bidding and licensing rules for narrowband PCS systems on channels 18 through 26 and on the unpaired response channels.

We strongly support adoption of competitive bidding provisions to increase the opportunities for meaningful participation among small business and minority and female owned businesses in the deployment of narrowband PCS systems. We expect that the Commission's proposals will "...counteract effectively [the] barriers to entry"¹ and will increase the likelihood that designated entities,

¹ Third Memorandum, ¶ 70.

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particularly minorities and women, will win licenses and become strong competitors.

At the same time, we believe that the Commission's proposals do not go far enough in promoting new entry and expanding competition. We request that the Commission expand the number of channel blocks for narrowband PCS service by channelizing the additional one megahertz of the spectrum reserve already allocated for narrowband PCS service and by establishing a schedule for the licensing of those expanded channels.² We make this request in consideration of the urgent need to increase opportunities for licensing by minorities, women and small business, of expanding spectrum needs of existing competitors in the established CMRS paging industry, of the foreseeable diminishment of competitive licensing opportunities from geographic and spectrum aggregation, and of the clear benefits for the American public from expanded competition in the provision of wireless services.

DISCUSSION

1. The expanded spectrum needs of the paging industry provided the impetus for the petition for rulemaking (RM-7617) filed by Telocator (now PCIA) in 1991 which led to the commencement of these proceedings. Narrowband PCS spectrum was proposed then

² See the Commission's First Report and Order in GEN Docket No. 90-314, ET Docket No. 92-100 released July 23, 1993, ¶ 19, in which the Commission specifically confirms that all three megahertz are allocated for narrowband PCS and that it has the flexibility to channelize and license the remaining one megahertz of spectrum for expanded narrowband PCS licensing opportunities.

and remains a needed and essential spectrum resource for the paging industry to expand its subscriber base and to provide new and innovative service offerings. One of the important objectives of these proceedings should be to assure that the millions of existing paging subscribers continue to be able to receive the quality and diversity of service offerings from the carriers that serve them.

The number of the CMRS paging carriers operating on VHF, UHF, 929 MHz and 931 MHz frequencies in each market area clearly dwarfs the fifteen narrowband CMRS channel blocks and the eight unpaired response channels available remaining to be licensed in each such market area. We have been concerned for some time that this disparity would have unintended consequences in terms of diminishing competitive opportunities for many existing paging carriers. We believe that the allocation of additional narrowband PCS spectrum as proposed here is needed to protect against this outcome which is plainly adverse to the long history of the Commission's pro-competitive policies.

2. The substantial disparity between the number of existing CMRS paging operators and the number of narrowband PCS licenses in each market area actually understates the impact of these matters on competitive entry because of trends toward geographic and spectrum aggregation. The nationwide narrowband PCS auctions confirmed that spectrum aggregation as provided under the Commission's "three deep" multiple ownership rule will diminish the actual number of competitors in each market far below the total number of PCS narrowband licenses available in each market area.

We support spectrum and geographic aggregation because both are essential to the deployment of new and innovative service offerings. The Commission's "three deep" rule should not be changed. But we are concerned that such aggregation will effectively diminish opportunities for new and existing competitors in narrowband PCS and innovative expansions of existing paging services. Here again, we believe that the Commission has the spectrum already allocated to expand narrowband PCS licensing to preserve fair entry and expansion opportunities for all and should initiate proceedings promptly to make that spectrum available for licensing.


3. We are aware that channelization and licensing of additional narrowband PCS spectrum as proposed here may not be accomplished as quickly as some might like. We are also aware that the spectrum rights in Canadian and Mexican border areas on this expanded spectrum may be problematic. On the other hand, it would greatly benefit both new entrants and existing paging operators alike to know for business planning purposes that in the event they are unsuccessful in the upcoming regional, MTA and BTA auctions there will be additional narrowband PCS channels available to meet their needs. We believe that the Commission has a special responsibility in this regard to all of the existing paging operators because of the continuing public reliance on the availability of their services.

CONCLUSION

The preservation of the highly competitive market structure in the paging industry and the expansion of entry opportunities for small business, minorities and women are goals which the Commission can and should accomplish in coordinated proceedings. The expansion of the number of narrowband PCS channel blocks (and the number of unpaired response channels) should be commenced promptly, as proposed here, because this capacity will be needed both for new entrants and existing paging operators. The public benefits are clear--increased opportunities for new entry, enhancement of competition which leads to affordable prices and widespread availability of services, development of new and innovative services, and auction proceeds for the U.S. Treasury. The Commission has already allocated the additional spectrum for narrowband PCS service. The Commission should promptly commence the necessary proceedings to expand the number of narrowband PCS channel blocks available for licensing as proposed here.

Respectfully submitted,

AMERICAN PAGING, INC.

By 
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September 16, 1994

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September 16, 1994

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
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Re: PP Docket No. 93-253
GEN Docket No. 90-314, ET Docket No. 92-100

Dear Mr. Caton:

Transmitted herewith, on behalf of American Paging, Inc., are an original and four copies of its comments in response to the Commission's Third Report and Order and Further Notice of Proposed Rulemaking ("Third Memorandum") pursuant to Sections 1.415 and 1.419 of the Commission's rules.

In the event there are any questions concerning this matter, please communicate with the undersigned.

Very truly yours,


George Y. Wheeler

Enclosures